COUNTY OF LOS ANGELES

MARVIN J. SOUTHARD, D.S.W.
Director

ROBIN KAY, Ph.D.
Chief Deputy Director

RODERICK SHANER, M.D.
Medical Director

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

BOARD OF SUPERVISORS
GLORIA MOLINA
MARK RIDLEY-THOMAS
ZEV YAROSLAVSKY
DON KNABE
MICHAEL D. ANTONOVICH

DEPARTMENT OF MENTAL HEALTH

http://dmh.lacounty.gov

Reply To: (213) 738-4601
Fax: (213) 386-1297

April 21, 2009

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

20 APR 21 2009

SACHI A. HAMAI
EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

APPROVAL TO AMEND THE STATE OF CALIFORNIA – DEPARTMENT OF REHABILITATION COOPERATIVE AGREEMENT FOR FISCAL YEAR 2008-09 (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

Request approval to amend the existing Cooperative Agreement with the State of California - Department of Rehabilitation which will enable six legal entity contract providers to expand their vocational and employment services.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and authorize the Director of Mental Health, or his designee, to sign and execute four original copies of Amendment No. 2 (Amendment), included as Attachment I, to the Cooperative Agreement Number 26350 (Cooperative Agreement), between the State of California - Department of Rehabilitation (State DOR) and the Los Angeles County Department of Mental Health (DMH) for Fiscal Year (FY) 2008-09. This Amendment will enable six legal entity (LE) contract providers to expand their vocational and employment services to DMH clients. This expansion is achieved by increasing County match contribution in the amount of $134,074 to access additional federal funding.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The Cooperative Agreement with State DOR provides funding for vocational and employment services to DMH clients. These services include vocational assessments, funds for transportation, clothing and uniforms, job-related tools and equipment, training, job placement and other supportive services that assist clients to maintain employment.

The Cooperative Agreement is funded by County General Funds (CGF), Mental Health Services Act (MHSA) funds, and non-cash match of DMH certified time commitments. These funds are then used to match federal funds that are administered through State DOR. As a result of a State DOR internal mid-fiscal year budget shift, additional federal dollars have become available for the Cooperative Agreement. To access the additional federal dollars, additional County match funds are needed. Utilizing existing Board delegated authority, DMH will provide the additional County match by reducing the CGF and/or MHSA funds from the Maximum Contract Amounts (MCA) of five LE provider agreements. The result will be an increase in the total Cooperative Agreement funds that can be used to expand vocational and employment services to DMH clients for FY 2008-09.

Implementation of Strategic Plan Goal

The recommended Board action is consistent with the Countywide Strategic Plan Goal 1, "Operational Effectiveness," Goal 2, "Children, Family and Adult Well-Being," and Goal 4, "Health and Mental Health."

FISCAL IMPACT/FINANCING

There is no impact on net County cost.

DMH is required under the Cooperative Agreement to contribute matching funds in order for State DOR to access federal vocational rehabilitation monies. DMH can meet its match requirement through either cash match and/or non-cash match of certified time. The monetary value of certified time is based on staff salaries for time spent to administer the Agreement and provide liaison services. DMH's contribution for FY 2008-09 is a combination of funds from the decrease of LE providers' MCA and non-cash/certified time commitments.

In response to the State DOR internal mid-fiscal year budget shift, five of DMH's LE providers have agreed to decrease their MCA and correspondingly increase their CGF and MHSA contribution to the State DOR, which uses such funds and the related

federal match to fund the Case Service Contract (Attachment II) between these LE providers and State DOR. The Case Service Contracts are agreements between the State DOR and the LE providers that enable the providers to be reimbursed through the State DOR. The sixth LE provider's matching contribution was not included in the FY 2008-09 contract supersession, thus it was held in DMH's FY 2008-09 Budget and earmarked for the sixth contract provider to be used for this purpose.

This Amendment will revise the total amount of DMH's contribution. The revised contribution is a combination of an increase of $134,074 in CGF and MHSA funds and the previously budgeted LE contribution of $594,481 and $64,422 for a subtotal of $792,977. This combined with certified time commitments of $226,462 yields a DMH contribution total amount of $1,019,439, which is included in DMH's FY 2008-09 Budget. The total revised budget for the FY 2008-09 Cooperative Agreement is $4,628,745, which is comprised of $3,609,306 of leveraged federal funds and DMH's contribution of $1,019,439 (Attachment III).

The Amendment expressly provides that the County has no obligation to pay for expenditures beyond the contract amount. This is a cost reimbursement contract whereby State DOR pays LE contract providers directly. The LE contract providers submit invoices to State DOR reflecting actual costs for providing services. The Amendment specifies the services to be provided and the funding amounts to be reimbursed for the services.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

DMH has participated in a Cooperative Agreement with State DOR since 1991 to provide vocational and employment services for individuals who have a mental illness. These services include vocational assessments provided by LE contract providers and assistance with obtaining employment and support to maintain employment. During FY 2007-08, approximately 2,400 clients were served through the Cooperative Agreement Program. Approximately 717 additional clients will be provided services through this Amendment.

During the past year, DMH has worked with State DOR to strengthen the employment services offered to DMH clients. With the additional focus on career goals, strengths, and abilities, clients are more prepared to meet State DOR eligibility requirements for employment-related services. These services include funds for transportation, clothing and uniforms, job-related tools and equipment, training, and other services that enable clients to obtain and maintain employment.

CONTRACTING PROCESS

DMH will reduce the MCA of five LE contract providers through the amendment process using Board delegated authority. The sixth contract provider matching contribution was not included in the FY 2008-09 contract supersession, thus it was held in DMH's FY 2008-09 Budget, earmarked for the sixth contract provider, to be used for this purpose. The LE contractors' CGF and MHSA funds will be decreased as detailed in Attachment II.

IMPACT ON CURRENT SERVICES

Board approval of the proposed actions will allow DMH to amend the Cooperative Agreement with the State DOR to increase the matching funds needed to provide vocational and employment services to additional clients. These services will result in more clients receiving the necessary support to obtain and maintain employment which is critical to their recovery and independence.

CONCLUSION

DMH will need one copy of the adopted Board action. It is requested that the Executive Officer of the Board notify DMH's Contracts Development and Administration Division at (213) 738-4684 when this document is available.

Respectfully submitted,

Robin Kay for

Marvin J. Southard, D.S.W.
Director of Mental Health

MJS:KD:MF

Attachments (3)

c: Chief Executive Officer
County Counsel
Chairperson, Mental Health Commission

ALM:H:\Cooperative Agreement\Board letters\FY 08-09 042109

ATTACHMENT I

STATE OF CALIFORNIA
STANDARD AGREEMENT AMENDMENT
STD. 213 A (Rev 6/03)

☐ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED _____ Pages

AGREEMENT NUMBER	AMENDMENT NUMBER
26350	2

1. This Agreement is entered into between the State Agency and Contractor named below:
   STATE AGENCY'S NAME
   Department of Rehabilitation
   CONTRACTOR'S NAME
   Los Angeles County Department of Mental Health
2. The term of this Agreement is: July 1, 2006 through June 30, 2009
3. The maximum amount of this Agreement is: $0.00
4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

The following documents are hereby added to this agreement as amended, and shall supersede of the same exhibit documents as referred for FY 2008/2009.

Scope of Work
Exhibit B
Exhibit D
Program Budget Summary
DOR Program Budget
Case Service Contract Break Out

All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME *(If other than an individual, state whether a corporation, partnership, etc.)*
Los Angeles County Department of Mental Health

BY *(Authorized Signature)* ✍ | DATE SIGNED *(Do not type)*

PRINTED NAME AND TITLE OF PERSON SIGNING
Marvin J. Southard, D.S.W., Director of Mental Health

ADDRESS
695 South Vermont Ave., 8th Floor, Los Angeles, CA 90005

STATE OF CALIFORNIA

AGENCY NAME
Department of Rehabilitation

BY *(Authorized Signature)* ✍ | DATE SIGNED *(Do not type)*

PRINTED NAME AND TITLE OF PERSON SIGNING
Douglas J. Sale, Chief, Contracts and Procurement Section

ADDRESS
721 Capitol Mall, Sacramento, CA 95814

CALIFORNIA
Department of General Services
Use Only

☐ Exempt per:

COOPERATIVE AGREEMENT
BETWEEN
THE STATE OF CALIFORNIA
DEPARTMENT OF REHABILITATION
AND THE
LOS ANGELES COUNTY DEPARTMENT OF MENTAL HEALTH

SCOPE OF WORK

I. INTRODUCTION

The Los Angeles County Department of Mental Health (LACDMH) and the California State Department of Rehabilitation (DOR) will combine both staff and financial resources to provide an integrated program of vocational rehabilitation services for individuals with severe psychiatric disabilities (hereinafter referred to as clients) who are mutually served by LACDMH and DOR and who reside in Los Angeles County.

DOR services will be provided by the following Districts: Van Nuys/ Foothill, Greater Los Angeles (GLAD), LA South Bay, and Orange/ San Gabriel.

The County operated clinics and the local DOR staff will work collaboratively to provide services to mutual clients. Because local relationships vary from clinic to clinic, each local collaborative partnership may be formalized by a written Memorandum of Understanding (MOU). These MOUs will identify local clinic and DOR staff positions to work collaboratively in this process. The MOUs will also outline how each local collaborative partnership will deliver services. This will include a description of the outreach and referral process, assessment, eligibility, IPE development, IPE progress and monitoring, employment services, education supports, and expected outcomes.

Administrative support to the Cooperative program and the associated MOUs and case service contracts will be provided by the administrative staff of the LACDMH. Administrative Support will be provided and accounted for in Certified Time.

Liaison support will be provided by various staff within the county-operated clinics and will be provided consistent with the MOU in place between each clinic and the local DOR district. This will also be counted as certified time.

Cooperative Liaison staff will serve as a conduit for information between the local clinic staff and the local DOR district staff, and serve as the clinic representative in cooperative program meetings and staffings with the local DOR liaison staff. Staff will also facilitate the provision of county mental health records to the DOR counselor to aid in the DOR clients eligibility determination and level of severity of disability for DOR services.

Eleven (11) community-based case service contractors will provide clients with vocational assessment, work adjustment, personal vocational and social adjustment, occupational skills training and employment services. Three (3) of these programs are for transitional youth (ages 15-21). Included also will be the availability of services to those individuals whose primary language is other than English, e.g. Spanish, Vietnamese, Korean, and Chinese.

The four DOR Districts' staffs will collaborate with their counterparts from the local LACDMH County operated clinics and the case service contractors to identify, assess, place and support program clients. Representatives from these agencies will work collaboratively including meeting regularly to discuss the program's progress and to staff cases. Staffs of both agencies will participate in cross training and in-service training programs for the purpose of increasing their capacity to work together and with clients served by this cooperative effort.

DOR District	County Mental Health Clinic	CSC Provider
South Bay	South Bay M.H Center	
	Compton M.H. Center	L.A. Child Guidance
	W. Central M.H. Center	
	San Pedro M.H. Center	
	Hawkins M.H. Center	
	Long Beach M.H.C	
Greater LA	Hollywood M.H. Center	Step Up on Second
	Edelman Westside Center	Didi Hirsch
	Northeast M.H. Center	Portals House
	Rio Hondo M.H. C.	Asian Pacific Csig & Trmt
	Amer. Ind. Csig Ctr	MHA The Village
Van Nuys	San Fernando M.H.C.	The HELP Group
	West Valley M.H.C.	Dubnoff
	Santa Clarita M.H.C.	S.F. CMHC, Inc
	Antelope Valley M.H.C.	**MHA LA-Antelope Valley**
	Palmdale M.H.C.	
Orange San Gabriel	Arcadia M.H.C.	Pacific Clinics

Case service contract providers often provide services across DOR district boundaries. During fiscal year 2008-2009, there will be a total of **2330** unduplicated DOR clients served through this cooperative agreement. A total of 850 new referrals will be made to the Department of Rehabilitation, 700 Individual Plans for Employment and **329** cases will be will be successfully closed.

II. SERVICES TO BE PROVIDED

A. Vocational Assessment

Vocational assessment services will also be provided through case service contract providers. The specific program detail will be described in each agency's case service contract. Referral for vocational assessment services to a case service contract provider will be by written authorization by the DOR counselor.

Service Outcomes/number to be Served

During fiscal year 2008-2009, there will be **156** clients provided with Vocational Assessment services.

B. Personal Vocational and Social Adjustment Services

1. Description of Services

Individual case service contractors throughout Los Angeles County, identified in this contract, will provide Personal Vocational and Social Adjustment services. The specific program detail will be defined in the contractor's case service contract. Referrals for this service will be by written authorization by the DOR counselor.

Service Outcomes and Numbers to be Served

During fiscal year 2008-2009, there will be 30 unduplicated clients provided with Personal Vocational and Social Adjustment through the case service contracts funded by this agreement.

C. Work Adjustment Services

1. Description of Services

Individual case service contractors throughout Los Angeles County, identified in this contract, will provide Work Adjustment services. The specific program detail will be defined in the contractor's case service contract. Referrals for this service will be by written authorization by the DOR counselor.

Services Outcomes and Numbers to be Served

During fiscal year 2008-2009, there will be **177** unduplicated clients provided Work Adjustment services through individual case service contractors identified in this contract.

D. Employment Services

1. Description of Services

Individual case service contractors throughout Los Angeles County, identified in this contract will provide Employment Services. The specific program detail will be defined in each of the contractors case service contract. Referrals for this service will be by written authorization by the DOR counselor.

Services Outcomes and Number to be served

During fiscal year 2008-2009, there will be **755** unduplicated DR clients provided with Employment Services through individual case service contractors. Of those **755, 410** clients are expected to be placed in employment consistent with their IPE. Of the **410** clients placed, a total of **292** DOR clients will retain employment for a minimum of 90 days.

E. Occupational Skills Training

1. Description of Services

Individual case service contractor throughout Los Angeles County, identified in this contract, will provide Occupational Skills Training services. The specific program detail will be defined in the contractor's case service contract. Referrals for this service will be by written authorization by the DOR counselor.

Service Outcomes and Numbers to be Served

During fiscal year 2008-2009, there will be 30 unduplicated clients provided with Occupational Skills Training through the case service contract funded by this agreement.

III. Contract Administrators

Department of Rehabilitation	LA County Department of Mental Health
Robert A. Bayne **3595 E. Inland Empire Blvd.** **Ontario, CA. 91764** **(909) 948-6055** **Fax : (909) 941-0136** **rbayne@dor.ca.gov**	Maria Funk, PhD 550 South Vermont 12th floor Los Angeles, Ca 90020 (213) 738-4385 Fax: (213) 381-5497 mfunk@lacdmh.org

IV Linkage to Other Community Agencies

LACDMH and DOR will utilize linkages with local Workforce Investment Boards, Work Source (One Stop) centers, community colleges, adult schools, regional occupational programs, local chambers of commerce, and employer and client advocacy organizations in order to maximize resources and to increase the quality and quantity of clients who become successfully employed.

V. In-Service Training

LACDMH in conjunction with the DOR will conduct ongoing in-service training opportunities for LACDMH, DOR and case service contractor staff. In addition, training and technical assistance will be provided or financed by both LACDMH and DOR/DMH headquarters staff. Some

training may be financed through the DOR/DMH statewide interagency agreement. Training will be based on the identified needs of programs; clients and LACDMH and DOR staff. Cross training will be provided at the local level as per individual MOU regarding each agency's services, regulations, policies and procedures.

EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS

1. It is mutually understood between the parties that this contract may have been written before ascertaining the availability of congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the contract were executed after that determination was made.

2. It is mutually agreed that if sufficient funds are not made available to the State by the United States Government for the current year and/or any subsequent years covered under this Agreement, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

3. It is mutually agreed that if the United States Government does not appropriate sufficient funds for the program the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

4. There are no oral understandings or agreements that are not incorporated in this contract.

5. Either party has the option to void the contract under the 30-day cancellation clause or to amend the contract to reflect any reduction of funds.

6. Exceeding an approved line items within a budget category is allowed provided the exceeded dollar amount does not affect the scope of work and is necessary for the provision of services to DOR clients. However, a budget revision or budget amendment must be submitted if budget changes shall occur.

7. Expenditures cannot be incurred that will exceed the total budget category amount. To move funds between budget categories requires a budget revision. Changes in budget category amounts shall not result in an increase of the total contract amount. Any alterations or variations to the contract must be contained in a written contract budget revision approved by State's Contract Office and/or written contract amendment, approved by the Department of General Services.

8. The Contractor is responsible for monitoring the percentage of time/number of hours devoted by staff on the contract for overall consistency with the contract terms.

9. Prompt Payment. The State of California is obligated to promptly pay all invoices; however, invoices must be properly submitted for prompt processing and payment. Under certain conditions, the State is required to pay vendors a late payment if a correct invoice for services/goods is not paid within 45 calendar days. The vendor does not have to request the late payment. The State will determine and send any late payment to the vendor.

10. Payment of Expenditures (If applicable). By signing this contract, Contractor certifies under penalty of perjury that the **Service Budget (DOR 801A)** does not contain line items that are, or will be, during the period covered by this contract, reimbursed/paid by another source of funding.

This is a cost reimbursement contract. State will pay the Contractor as invoiced monthly or quarterly as specified in Exhibit E, for Contractor's actual costs to provide services as identified on the **Service Budget (DOR801A).** For each fiscal year, total funds to be paid shall not

exceed the amount specified in the "Service Budget" for that fiscal year. Unexpended funds for a fiscal year shall not be carried over to another fiscal year.

State will not pay contractor for actual costs until the match has been submitted by the (County), as applicable.

11. Certified Expenditure (If applicable). Contractor shall certify to the State, on a monthly or quarterly basis as specified in Exhibit E, the actual expenditure of Contractor funds for Contractor's cost of operation in the Cooperative program as set forth in the "Cooperative Agency Certified Expenditure Budget Summary." All such expenditures shall be under the administrative supervision of State and no portion of the certified expenditures shall come from Federal funds. The State shall not be obligated to pay the Contractor for any contributions made by the Contractor in accordance with the "Cooperative Agency Certified Expenditure Budget Summary."

    The total Cooperative Agency certified expenditure share will be matched to Federal funds at no less than 25%, as indicated on the DOR Program Budget Summary.

    If the value of the certified expenditures by the Contractor is below 25% of the actual total program cost, the **"Service Budget"** may be reduced after review by the DOR Contract Administrator. State will not pay the Contractor for actual costs claimed on the DOR801B Service Invoice until the certified expenditure summary for the same period has been submitted.

    The Contractor contributions, including any in excess of the amount specified in the "Cooperative Agency Certified Expenditure Budget Summary" will be used by State to obtain Federal funds under Section 110 of the Rehabilitation Act of 1973, as amended. Federal funds obtained in excess of the "Total Program Cost" as identified on the "DOR Program Budget Summary" shall accrue to the State.

12. Cash Match (If applicable). Each fiscal year, Contractor will pay to State, no less than quarterly, in advance, upon receipt of an invoice from State, all those cash matching funds which are identified within the Program Budget Summary for that fiscal year. State shall not be obligated to pay the Contractor for any contributions made by the Contractor in accordance with the approved budget, it being understood that all matching funds obtained by State from Contractor shall be exclusive funds of State.

    The total Cooperative Agency cash share will be matched to Federal funds at no less than 21.3% as indicated on the "DOR Program Budget Summary".

13. Indirect Costs (If applicable). Indirect costs are allowable costs incurred by an organization which support the activities of a program or contract, but are not directly assigned to the specific program or contract and are allocated to the program or contract using a method in compliance with Office of Management and Budget (OMB) circulars. The allocation method must be fully explained in the contract budget narrative and must be supported by actual costs/expenditures. The allocation of indirect costs cannot be based on an arbitrary fixed rate. Where an estimated percentage rate is used when the contract is written, the actual rate must be used to bill for indirect costs/administrative overhead; however, the actual rate cannot exceed the contracted budget percentage rate. If the actual rate exceeds the budgeted rate, then a budget revision or amendment is required prior to billing the actual rate. Documentation to support the allocation rate/method must be maintained by the Contractor and is subject to review by the Department of Rehabilitation, State Auditors, Federal Department of Education auditors, or their designated representatives.

Los Angeles County Mental Health

Attachment 1

Program Budget Summary

Fiscal Year 2008/9

July 1, 2008 - June 30, 2009

		TOTALS
DOR PROGRAM COSTS (From DOR Program Budget)		$4,402,283
TOTAL COOPERATIVE AGENCY EXPENDITURES (From Cooperative Agency Certified Expenditure Budget)		$226,462
TOTAL PROGRAM COST		**$4,628,745**
Certified Expenditure	25%	$226,462
DOR Share	75%	$679,386
Cash Expenditure	21.3%	$792,977
DOR Share	78.7%	$2,929,920
TOTAL BUDGET		**$4,628,745**

Cooperative agency certified expenditure and cash expenditure must be from non-Federal Funds and can not be used to draw down other Federal Funds. The cash expenditure must equal at least 21.3% of the designated share and the certified expenditure must equal at least 25% of the designated share.

Los Angeles County Department of Mental Health

DOR Program Budget

Fiscal Year 2008/09

July 1, 2008 - June 30, 2009

7.62	FTE Counselor Units

DEPARTMENT OF REHABILITATION SERVICES

ITEM	FTE EXPENDITURE	FTE	TOTAL
Rehabilitation Counselor	1 FTE = $110,377	7.62	$841,073
Case Services (Individual Client Expenses)			$389,084
SUBTOTAL			$1,230,157
Case Service Contract/s to:			
see attachment			$3,172,126
			$0
			$0
			$0
			$0
TOTAL DOR PROGRAM COST			$4,402,283

LA County Mental Health
Cooperative Contract
Case Service Contract break out
Fiscal year 08-09

	Case Service Contract Amounts	County Match required to fund CSC
Didi Hirsch Community Mental Health Center	$301,893	$64,303
Dubnoff Center	**$319,937**	**$70,434**
Los Angeles Child Guidance Clinic	$134,145	$28,573
Mental Health Assocation Los Angeles County-The Village	**$590,306**	**$129,957**
Pacific Clinics combined with Pacific Clinics	$611,809	$130,315
San Fernando Valley Community Mental Health Inc.	**$482,075**	**$116,426**
Special Servicefor Groups - Asian Pacific Counseling & Treatment Center	**$178,285**	**$40,795**
Step up on 2nd	**$156,124**	**$35,725**
The Help Group	**$210,552**	**$46,354**
Antelope Valley	**$187,000**	**$65,673**
TOTALS	**$3,172,126**	**$728,555**

EXHIBIT D

SPECIAL TERMS AND CONDITIONS

1. Software

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this contract for the acquisition, operation or maintenance of computer software in violation of copyright laws.

2. Contract Manual

Contractor acknowledges that it was provided with and is familiar with the provisions of the Department of Rehabilitation's Contract Manual for Case Services and/or Cooperative Program contracts (DOR Contract Manual) for the Fiscal Year(s) covered under this contract, and it specifically agrees that it will comply with all applicable provisions of the Contract Manual. Contractors are expected to refer to and comply with the DOR Contract Manual. This manual is referenced in the contract and, as such, is a contract document. Match requirements are applicable to Cooperative Programs only.

3. Settlement of Disputes

Any dispute concerning performance under the terms of this agreement which is not disposed of within a reasonable period of time by the Contractor and State shall be brought to the attention the local Department of Rehabilitation District Administrator and a designated representative of the contractor for joint resolution. At the request of either party, the State shall provide a forum for discussion of the disputed item(s), at which time the State representative shall be available to assist in the resolution by providing advice to both parties as to State of California policies and procedures. If agreement cannot be reached through the application of high-level management attention, either party may assert its other rights and remedies within this contract or within a court of competent jurisdiction **in the State of California.**

4. Rehabilitation Act

By signing this contract, Contractor certifies that it shall comply with all provisions of the Rehabilitation Act of 1973, as amended (29 USC Section 701 et seq.) and applicable federal and state regulations.

Notwithstanding provisions to the contrary, State shall supervise provision of vocational rehabilitation services authorized by the Rehabilitation Act of 1973, as amended, and the State Plan for Vocational Rehabilitation Services.

Client eligibility and scope of services to be provided under the terms of this contract shall be determined by State in accordance with all applicable laws and regulations. Program expenditures and staff providing services under the cooperative arrangement are under the administrative supervision of State.

State shall assign to serve as program staff, State employed vocational rehabilitation case carrying staff, and other personnel required to discharge its functions under the terms of this contract, the Rehabilitation Act of 1973, as amended (29 USC Section 701 et seq.), and the State Plan for Vocational Rehabilitation Services. This shall include all administrative, supervisory, technical, and consultative services necessary to fulfill State's responsibilities under the terms of this contract.

5. Travel

The Contractor agrees that all travel and per diem paid its employees under this contract shall be at **"actual costs"** and subject to the Department of Personnel Administration designated rates not to exceed those amounts paid to the State's excluded employees. No expense for travel outside of the State of California shall be reimbursed.

6. Personnel Standards

Contractor shall maintain personnel standards in accordance with the Code of Federal Regulations, 34 CFR 361.51(b).

7. Confidentiality

Contractor agrees that any report or material created during the performance of this contract will not be released to any source except as required by this contract or otherwise authorized by State. Any information obtained by Contractor in the performance of this contract is confidential and shall not be published or open to public inspection in any manner, except as authorized by State.

Contractor agrees to maintain the confidentiality of any information concerning any individual clients it may obtain in the performance of this contract, and specifically agrees to comply with the provisions applicable to such information as set forth in 34 Code of Federal Regulations, Section 361.38, title 9, California code of Regulations, Section 7140 et seq., and the Information Practices Act of 1977 (California Civil Code Section 1798 et seq.)

Contractor agrees to report any security breach or incident involving DOR consumers' personal information to the Department of Rehabilitation's Contract Administrator and Information Security Officer. The Department of Rehabilitation's Information Security Officer can be contacted via e-mail at isoinfo@dor.ca.gov.

Security breaches or incidents that must be reported include, but are not limited to:

1) Unauthorized disclosure of DOR consumers' personal information (as defined in Civil Code Section 1798.39) either physically or electronically by the Contractor or the Contract's assignees.

2) Loss of computer equipment or data files, both electronic and hard copy, on which DOR consumers' personal information resides. This includes laptops, disks, DPAs, flash drives, and personal computers.

8. Accounting, Audit Requirements, and Records Retention

Contractor must maintain an appropriate cost accounting system that accurately accumulates and segregates reasonable, allocable, and allowable costs in compliance with state and federal regulations and the Contract and Contract Manual. The Contractor's financial management system shall provide for:

- Accurate, current, and complete disclosure of the financial results of each federally sponsored project.
- Records that identify adequately the source and application of funds for federally sponsored activities.

- Written procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the provisions of the applicable Federal cost principles and the terms and conditions of the award.
- Accounting records including cost accounting records that are supported by source documentation.

Contractor shall submit to State such reports, accounts, and records as deemed necessary by State to discharge its obligation under State and Federal laws and regulations, including the applicable Office of Management and Budget Circulars.

Contractor shall provide State's staff access to all Contractor's records and evaluations of individuals referred to the program, with the written consent of the individual.

State shall have the right to conduct inspections and/or audits of Contractor to determine whether expenditures by Contractor were made in compliance with this contract, the Department of Rehabilitation's Contract Manual for the fiscal year(s) covered under this contract and other applicable federal or state statutes and regulations. Contractor agrees that Department of Rehabilitation, State Controller's Office, Bureau of State Audits, Federal Department of Education Auditors, or their designated representatives shall have the right to review, obtain, and copy all records pertaining to performance of the contract or relevant to determining whether expenditures by Contractor were made in accordance with the contract and applicable laws and regulations. Contractor agrees to provide such auditors with any relevant information requested and shall permit the auditors access to its premises during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to the audit or investigation. Contractor further agrees to maintain such records for a period of three (3) years after final payment under the contract or until completion of the action and resolution of all issues which may arise as a result of any litigation, claim, negotiation, audit, or any other action involving the records prior to expiration of the three (3) year period, whichever is later.

Non-federal entities receiving financial assistance of $500,000 or more in Federal funds from all sources, either directly from a Federal awarding agency or indirectly from a pass-through entity, are required to have a single or program-specific audit conducted in accordance with Office of Management and Budget **(OMB) A-133, Audits of States, Local Governments, and Non-Profit Organizations.** Non-federal entities that spend less than $500,000 a year in Federal awards are exempt from Federal audit requirements for that year, except as noted in OMB A-133. Entities required to have an audit under OMB A-133 must ensure the audit is performed in accordance with Generally Accepted Auditing Standards (GAAS), Government Auditing Standards developed by the Comptroller General, and the OMB Compliance Supplement. Audit reports and any resulting management letters must be submitted within the earlier of 30 days after receipt of the auditor's report, or nine months after the end of the audit period. The reports required by OMB A-133 must be submitted to:

Department of Rehabilitation
Audit Services
721 Capitol Mall, 3rd Floor
Sacramento, CA 95814

Contractor must include in the contract with its independent auditor that the State Department of Rehabilitation, State Controller's Office, Bureau of State Audits, Federal Department of Education Auditors, or their designated representatives have the right to inspect and review the independent auditor's workpapers regardless of the type of financial audit performed (financial statement, OMB A-133) upon notice by the Contractor, or upon notice by appropriate

9. Principles and Standards for Determining Allowable Costs, including Requirements for Documenting Personnel Activity Chargeable to the Contract

Contracts awarded by the Department shall be subject to actual costs for services rendered under this agreement. Allowable costs under this contract must meet the following general criteria:

The allowable cost must be: 1) generally recognized and necessary for the operation of the Contractor's organization, 2) be reasonable for the performance of the contract, including acceptable sound business practices **that are subject to the terms and conditions of the contract agreement** and approved DOR budgeted line items and 3) not be used for general expenses required to carry out other responsibilities of the Contractor.

Further, documenting and supporting the distribution of personnel activity to the contract is critical. The Contractor agrees to comply with the OMB Circular applicable to its organization regarding documentation for the support of personnel activity chargeable to the contract.

The Federal Office of Management and Budget (OMB) has established cost principles for determining allowable costs chargeable to Federal awards The applicable Federal and State laws and regulations, including OMB Circulars, take precedence, **except where the contract is more restrictive.**

The Contractor agrees to abide by the following federal rules and regulations applicable to its organization as specifically defined in the following:

- 34 CFR Part 74 (OMB A-110) – Administration of Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
- 34 CFR Part 80 (OMB A-102) – Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments
- 34 CFR 361 – The State Vocational Rehabilitation Services Program
- OMB A-21 – Cost Principles for Educational Institutions
- OMB A-87 – Cost Principles for State, Local, and Indian Tribal Governments
- OMB A-122 – Cost Principles for Non-Profit Organizations
- OMB A-133 – Audits of States, Local Governments, and Non-Profit Organizations

A copy of the OMB Circulars listed above are available for download and review on the Internet at www.whitehouse.gov/omb/circulars.

A copy of Title 34 CFR Part 74 and Part 80 are available for review on the Internet at http://www.ed.gov/policy/fund/reg/edgarReg/edgar.html

10. Pattern of Service (Cooperative Agreements Only)

As required by Federal regulations (34 CFR 361.28), the services provided by the Contractor under this contract cannot be the customary or typical services, but rather the services must have been modified, adapted, expanded, or reconfigured to have a vocational rehabilitation

11. Debarment, Suspension, Ineligibility and Voluntary Exclusion

By signing this contract, contractor certifies that neither it nor its principles is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department of agency.

12. Contract Amendments

Should either party, during the term of this agreement, desire a change or amendment to the terms of this Agreement, such changes or amendments shall be proposed in writing to the other party, who will respond in writing as to whether the proposed changes/amendments are accepted or rejected. If accepted and after negotiations are concluded, the agreed upon changes shall be made through the State's official agreement amendment process. No amendment will be considered binding on either party until it is formally approved by the State.

ATTACHMENT II

Los Angeles County Department of Mental Health/State Department of Rehabilitation

Cooperative Agreement

Case Service Contract Agencies

Period of July 1, 2008 through June 30, 2009

Fiscal Year 2008-09

Agency	Current MCA	MHSA FSP CSS* Decrease	**CGF Match Decrease	Total Decrease	Revised MCA
Dubnoff Center	$ 2,440,500		$ (8,483)	$ (8,483)	**$ 2,432,017**
Mental Health America of LA - Antelope Valley	$ 15,036,500	$ (65,673)		$ (65,673)	**$ 14,955,175**
Mental Health America of LA - The Village		$ (15,652)		$ (15,652)	
San Fernando Valley Community Mental Health Inc.	$ 27,857,300	$ (29,467)		$ (29,467)	**$ 27,827,833**
Special Service for Groups - Asian Pacific Counseling & Treatment Center	$ 26,586,075	$ (4,913)		$ (4,913)	**$ 26,581,162**
Step Up on Second***	$ 3,028,000	$ (4,303)		$ (4,303)	**$ 3,023,697**
FY: 08-09 DMH Budget earmarked for The Help Group****			$ (5,583)	$ (5,583)	
Total DMH Contribution		**$ (120,008)**	**$ (14,066)**	**$ (134,074)**	

*Mental Health Services Act-Full Service Partnership-Client Supportive Services
**County General Fund
***Step Up on Second MCA is for 6 months only (1/2 of FY: 08-09)
****The Help Group's CGF match is earmarked in DMH's FY 08-09 budget.

ATTACHMENT III

DOR PROGRAM BUDGET SUMMARY 2008-09

DMH Legal Entity (LE) Contributions for DOR Agreement 2006-09 and DOR Amendment 2008-09						DOR Program Budget/Costs FY 2008-09	
Agency	LE Contribution for Original Agreement FY 2006-09	LE Contribution for Amendment FY 2008-09*	Total LE Contribution for Amendment FY 2008-09**	Federal Match + DOR Share FY 2008-09**	LE Contribution + Federal Match + DOR Program Costs FY 2008-09**	DOR Program Budget FY 2008-09***	Amended Case Service Contract Amounts FY 2008-09***
Case Service Contractor Contribution							
Didi Hirsch	$64,303	$0	$64,303	$237,590	$301,893	$0	$301,893
Dubnoff Center	$61,951	$8,483	$70,434	$260,242	$330,676	$10,739	$319,937
LA Child Guidance Center	$28,573	$0	$28,573	$105,572	$134,145	$0	$134,145
Mental Health America of LA	$114,305	$81,325	$195,630	$722,820	$918,450	$141,144	$777,306
Pacific Clinics/Portals	$130,315	$0	$130,315	$481,494	$611,809	$0	$611,809
San Fernando Valley Community Mental Health Inc.	$86,959	$29,467	$116,426	$430,174	$546,600	$64,525	$482,075
Special Service for Groups - Asian Pacific Counseling & Treatment Center	$35,882	$4,913	$40,795	$150,731	$191,526	$13,241	$178,285
Step Up on Second	$31,422	$4,303	$35,725	$131,998	$167,723	$11,599	$156,124
The Help Group	$40,771	$5,583	$46,354	$171,270	$217,624	$7,072	$210,552
Sub-Total	**$594,481**	**$134,074**	**$728,555**	**$2,691,891**	**$3,420,446**	**$248,320**	**$3,172,126**
DMH County General Funds			**$64,422**	**$238,029**	**$302,451**	**$302,451**	
Sub-Total			**$792,977**	**$2,929,920**	**$3,722,897**	**$550,771**	
DMH Staff--Certified Time Contribution			**$226,462**	**$679,386**	**$905,848**	**$679,386**	
		TOTALS	**$ 1,019,439**	**$ 3,609,306**	**$ 4,628,745**	**$ 1,230,157**	**$3,172,126**

*see Attachment II

**see Attachment I -- DOR Program Budget Summary

***see Attachment I -- DOR Program Budget Summary Page 2

Amended Case Service Contract Amounts FY 2008-09		**$3,172,126**
DOR Program Budget (Rehab Counselors + Case Services)* **		**$1,230,157**
DOR Program Cost* **	**Sub-Total**	**$4,402,283**
DMH Certified Expenditures	**+**	**$226,462**
DOR PROGRAM BUDGET	**TOTAL**	**$4,628,745**